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### Montgomery County Initiative Would Open 52-Acre Site to Shady Grove Life-Sci Center

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By Alex Philippidis

**A plan by officials** in Maryland's Montgomery County to buy and sell lots of real estate would address some long-term facility needs in the county and create additional space within the Shady Grove Life Sciences Center campus in Rockville.

The state's so-called "property-use initiative" would see the county selling or leasing its 52-acre Public Safety Training Academy, located on the grounds of the Shady Grove campus, to a developer willing to include life-sci space among a mix of uses.

The academy would be moved a few miles northwest into at least 41 developable acres of an undeveloped Gaithersburg property known as the Webb Tract.

Montgomery County officials reason that new biotech or pharmaceutical space is a better use for the academy site because it would be more compatible with nearby commercial and institutional life-sci uses within the 300-acre Shady Grove campus — just as the academy meshed well with the largely agricultural uses that surrounded it a half-century ago.

"We want to clear that off so we can address an overall higher education-research park planned for the [Shady Grove] area," Diane Schwartz Jones, assistant chief administrative officer for Montgomery County, told *BioRegion News* last week. "Our PSTA site would be ideally suited for the kind of live-work environment that we would want to create."

"Ideally, we'd want to get that moving within the next couple of years," Schwartz Jones said.

Shady Grove includes campuses of the University of Maryland and Johns Hopkins University; The Institute for Genomic Research; the Center for Advanced Research in Biotechnology, a partnership of the University of Maryland Biotechnology Institute and the National Institute of Standards and Technology; offices and labs for some 100 life-sci companies, including EntreMed and Invitrogen; and the Maryland Technology Development Center.

And on a new [section](#) of the county web site launched last week to draw support for the initiative, County Executive Isaiah Leggett said the academy "has severe space limitations and is in need of tens of millions of dollars in improvements just to stay at its current location."

But rather than save that money or spend it on the county's existing facilities, the funds would be spent better through the initiative, Leggett's chief spokesman told *BRN*.

"We're not really looking to save; we're looking to break even," said Patrick Lacefield, director of Montgomery County's Office of Public Information. "By breaking even, we're figuring in the amount of money we would need to spend anyway to renovate these facilities."

The county has not projected the total cost for buying the new land in Gaithersburg and relocating the PSTA, though that data is being compiled as properties under discussion get appraised, Schwartz Jones said. Additionally, county officials have not yet projected how much new life-science R&D space could be created in the PSTA's existing facility in Rockville.

"It could be an important piece of bolstering our biotech possibilities," Lacefield said. "We already do a lot, but we want to do more, and we want to set ourselves up for the future."

Schwartz Jones said the county envisions selling to a private developer the PSTA site for a redevelopment that would incorporate life-science space as part of a broader mixed-use redevelopment. "There would be housing on that side. There would be streets and roads. There would probably be retail. There would be [mass transit]."

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The property-use initiative comes at a time when Montgomery County's Planning Department is updating a 23-year-old master plan for the communities surrounding, but not including, the city of Gaithersburg west of Interstate 270, which would include the Shady Grove Life Sciences Center.

The most recent revisions were made in 1990. A revised master plan is expected to begin formal public review later this year, with officials looking to adopt a revised land-use guideline by March 2009, Schwartz Jones said.

However, Nancy Sturgeon, an official in the community-based planning division of the Planning Department, stressed that rezoning the PSTA property for life-science use did not hinge on the master plan update.

"It's better for long-range planning if it's done within the context of a master plan update. But if one was going forward and the timing was not right, and we thought it was a good idea for a particular area, we could also amend the master plan," Sturgeon told *BRN* this week. "We have thought for some time that if we could find a new home for the training academy, it would be good, because ... it sort of sits in the middle of our life-sciences area."

Besides relocating the PSTA, Leggett's property-use initiative would move new county facilities, including:

- The county's Department of Liquor Control, which would be moved to a nearby, recently renovated 200,000-square-foot warehouse once used by National Geographic and now owned by Finmarc Management Inc. Reusing the warehouse would involve reconfiguring existing on-site loading docks to limit noise and traffic; and
- The county's safety administrative headquarters, which would get new digs within the 340,000-square-foot former National Geographic Society building on part of the 97-acre GE Technology Park in Gaithersburg. The building is owned by Santa Fe Hotels and partially occupied by GX5, a business-to-business e-commerce company. The building would include headquarters offices for the police, fire, and homeland security departments, and the county's first police precinct. The building would also house a new food-distribution warehouse for the county's public school system, and possibly offices for the county's Department of Transportation.

While the former National Geographic building would require some modernization, the county says that cost would be more than offset by the savings it expects from ending its reliance on leasing its public safety offices. The county spends \$22 million a year on rent, a figure Leggett has said he wants to reduce.

"Many county facilities were located at their current sites decades ago. It makes sense to look at some of these locations and decide if the current site makes sense or if the county can direct the property to a better use from both a fiscal and land planning perspective. It also makes sense to consolidate similar functions for better efficiency," Leggett said July 17, during a live online ["virtual town hall meeting"](#) discussion with county residents.

One likely reason for the county's interest in facility consolidations: For the fiscal year that began July 1, Montgomery's County Council approved a \$4.3 billion budget that effectively raised the property taxes of county homeowners by an average 13 percent through rising property assessments, despite the county's maintaining its property tax rate of 90.3 cents per \$100 of assessed value. To cushion the blow, county council members also approved a \$579 credit on taxes for owner-occupants of principal residences.

#### Three's a Pharm

The PSTA property is one of three sites where new biopharma space could emerge in Montgomery County, long a mecca for the life-sci industry.

Yet Montgomery County's life-science market has not been immune to the commercial real-estate slump that has followed the national residential decline. During the second quarter, shrinking demand caused the county's rate of available vacant biotech space-for-lease to zoom to 10.7 percent from 6.9 percent year over year, according to commercial real estate brokerage Cushman & Wakefield. The amount of vacant available space also ballooned during that time to 270,160 square feet from 175,041 square feet in the year-ago period.

Even worse, the C&W report showed that Montgomery County finished the second quarter with 12,162 square feet of negative absorption, or where more space is hitting the market than being leased.

Despite these numbers, county officials have not slowed their planning efforts for the PSTA facility and two other potential biopharma development properties.

Adjacent to the training academy sits the 108-acre Belward property, which Johns Hopkins University acquired three years ago from a recently deceased resident owner. Consultants to JHU have discussed developing that site, as well as redeveloping its facilities at Shady Grove, into a combined total of 12 million square feet of office and research space, between 10,000 and 12,000 housing units, and up to 380,000 square feet of retail space. The plan, called Vision 2030, would span 25 years.

JHU expected to have a conceptual development plan for the Belward and Shady Grove sites by April [\[BRN, March 17\]](#) but has not yet released one. Meantime, the university and state government agencies continue to review potential infrastructure changes such a redevelopment would require.

"Despite our best intentions, we are not prepared to present a plan at this time," Robin Ferrier, a spokeswoman for JHU's Montgomery County campus, told *BRN* via e-mail last week. "Johns Hopkins University and other Vision 2030 participants are actively working with representatives from the Maryland National Capital Parks & Planning Commission, along with state of Maryland and Montgomery County officials, to determine the traffic and transit infrastructure necessary to support Vision 2030. Once we have this information, we will move forward with the creation of a Concept Plan."

Ferrier did not specify when a concept plan would be ready for submission to officials. "It would be premature of us to speculate on a timetable for its completion," he said.

Both Belward and a redeveloped Shady Grove would be linked to each other and the Washington region's Metro system through a 13.5-mile mass-transit project known as the [Corridor Cities Transitway](#) now being studied by the Maryland Transit Administration.

A draft environmental assessment-alternatives analysis of the long-discussed CCT extension is expected to be ready for a formal 90-day public review "toward the end of October," said Tom Autrey, a transportation planning official with the county planning department. Once the public review ends in January, the state will make a final decision.

Autrey said state officials will largely decide what transportation mode CCT should use — a "rapid-bus" service or a costlier light-rail system. The bus option would consist of a "main line" from which bus routes would cross into Shady Grove and nearby population clusters.

Another area of study in recent months has been the viability of adding extra stops at JHU's Belward campus, the PSTA property, and the Shady Grove Life Sciences Center, said Autrey. The shift would add another mile to the extension.

Also at issue is whether to realign the CCT to allow additional stops within Shady Grove. The extension would be carried out in two phases — the first, from the current Shady Grove terminal of Metro's Red Line north to Metropolitan Grove in Gaithersburg, is slated to start construction in 2012. The second phase, which would extend CCT further north to the former COMSAT Laboratories campus in Clarksburg, Md., is slated for completion some time afterward.

Another priority for Montgomery County is carrying out the recommendation made in a study of the Shady Grove area. The County Council in 2006 approved the [Shady Grove Sector Plan](#), which called for rezoning to residential use what is now largely industrial land near the Shady Grove Metro station, with the goal of creating 6,340 new units for commuters and about 7,000 new jobs.

Much of the industrial land now consists of the county's service park, whose operations comprise school bus parking, school food preparation, a liquor-control warehouse, a day-labor center, a county bus maintenance center, and a waste transfer station that must remain because of its proximity to the rail line.

"It's been a challenge to find new homes for all these industrial service uses, because we're running out of land in Montgomery County. Fifty years ago when we put the service park there, it was good planning for the time to consolidate county service uses," Sturgeon said. "More recently, the county's policy has been to try to put appropriate uses at all the Metro stations. That's where the density should be — housing, office, all of that."

Another Montgomery County site where county officials wish to foster new life-science space is "Site II," a 115-acre property adjacent to the new US Food and Drug Administration headquarters, within the White Oak Federal Center in Silver Spring.

Last winter, the county issued a formal request for proposals from developers interested in building life-sci space there, leaving up to them how much of that space they wanted to develop. Montgomery County officials are reviewing responses from the three potential developers deemed to have the best conceptual plans — one of which will be named the county's preferred developer for Site II.

"We're hoping probably within the next 30 days to announce who the new private development partner will be," Kristina Ellis, a spokeswoman for the county's Department of Economic Development, told *BRN* earlier this month.

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[Pfizer's Plan to Move R&D Center to Mission Bay Site Backs Alexandria's East Bay Flight](#)

[Montgomery County Initiative Would Open 52-Acre Site to Shady Grove Life-Sci Center](#)  
[15 Months Sufficient for BioMed to Re-Lease 600K-Sq.-Ft. Cambridge Life-Science Space](#)  
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